

Hearing Date: October 19, 2006
Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
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DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**DEBTORS' OMNIBUS REPLY IN SUPPORT OF DEBTORS' FIRST OMNIBUS
OBJECTION PURSUANT TO 11 U.S.C. § 502(b) AND FED. R. BANKR. P. 3007 TO
CERTAIN (I) DUPLICATE AND AMENDED CLAIMS AND (II) EQUITY CLAIMS**

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates (the
"Affiliate Debtors"), debtors and debtors-in-possession in the above-captioned cases (collectively,

the "Debtors"), hereby submit this omnibus reply (the "Reply") in support of the First Omnibus Objection Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To Certain (i) Duplicate And Amended Claims And (ii) Equity Claims (the "First Omnibus Claims Objection"), and respectfully represent as follows:

1. The Debtors filed the First Omnibus Claims Objection on September 19, 2006 to disallow and expunge (a) certain "Claims," as that term is defined in 11 U.S.C. § 101(5), because such Claims are duplicative of other Claims or have been amended or superseded by later-filed Claims and (b) Claims filed by holders of Delphi common stock solely on account of their common stock ownership. The Debtors sent each claimant whose proof of claim is subject to an objection pursuant to the First Omnibus Claims Objection a personalized Notice Of Objection To Claim, which specifically identified the claimant's proof of claim that is subject to an objection and the basis for such objection. Responses to the First Omnibus Claims Objection were due by 4:00 p.m. (Prevailing Eastern Time) on October 12, 2006.

2. As of October 18, 2006 at 9:00 a.m. (Prevailing Eastern Time), the Debtors had received ten timely-filed responses (collectively, the "Responses") to the First Omnibus Claims Objection. Of the Responses, six were filed by holders of duplicate or amended Claims and four were filed by Delphi equityholders. Of the Responses filed by holders of duplicate or amended Claims, four of the respondents did not contest the relief requested by the Debtors, but filed their Responses to assert certain reservations of alleged rights. The remaining two respondents requested that the Debtors reverse the "Surviving Claim" and the "Claim To Be Expunged" as listed on Exhibit B to the First Omnibus Claims Objection (the "Duplicate and Amended Claims Exhibit"). For the Court's convenience, a chart summarizing the Responses by respondent is attached hereto as Exhibit A.

3. In addition to the Responses, the Debtors also received informal letters, e-mails, and phone calls from various parties requesting clarification of the relief requested in the First Omnibus Claims Objection or seeking to switch those duplicate and amended Claims that the Debtors have designated as "Surviving Claims" and "Claims To Be Expunged." Generally, the holders of Claims listed on the Duplicate and Amended Claims Exhibit have requested that a certain duplicate or amended claim be retained as the surviving claim as opposed to the claim designated on the Duplicate and Amended Claims Exhibit.¹ The Debtors believe that all formal and informal responses from claimants with Claims listed on the Duplicate and Amended Claims Exhibit have been consensually resolved in accordance with the changes to the exhibit attached to the Revised Order (defined below).

4. As mentioned above, the Debtors received four formal Responses filed by Delphi equityholders. In response to these pleadings, the Debtors communicated with the respondents and clarified the relief requested in the First Omnibus Claims Objection. Specifically, these equityholders erroneously believed that the First Omnibus Claims Objection sought to eliminate their common stock interests in the Debtors. Because the First Omnibus Claims Objection does not purport to eliminate their stock interests, the Debtors believe that the concerns raised in the equityholders' responses have been addressed.²

¹ Only one holder requested that an expunged claim be retained in addition to the surviving claim. This holder asserted that a different claim be expunged as a duplicate.

² The Debtors are withdrawing their objection with respect to one equityholder because he has asserted that his proof of claim sets forth claims in addition to his common stock ownership. The Debtors reserve their right to object to this claim at a later date. The Debtors also received a number of informal queries from other equityholders who filed proofs of claim and whose proofs of claim would be expunged if the First Omnibus Claims Objection is granted. The Debtors responded to each of these equityholders and clarified the relief sought under the First Omnibus Claims Objection.

5. Attached hereto as Exhibit B is a proposed revised Order (the "Revised Order") with proposed revised exhibits reflecting the resolutions reached on all formal and informal responses received by the Debtors. In the Debtors' view, the Revised Order and its exhibits address and reasonably dispose of all of the responses received in opposition to the First Omnibus Claims Objection.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) granting the First Omnibus Claims Objection, subject to the modifications made to the Revised Order, (b) overruling the Responses, to the extent that any respondent asserts that such respondent's Response has not been resolved by the modifications reflected in the Revised Order, and (c) granting the Debtors such other and further relief as is just.

Dated: New York, New York
October 18, 2006

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